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RUEHCN/AMCONSUL CHENGDU 0155
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RUEHGH/AMCONSUL SHANGHAI 0425
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C O N F I D E N T I A L TOKYO 001430

SIPDIS

STATE PASS USTR FOR WINELAND

E.O. 12958: DECL: 05/21/2018

TAGS: [ASEC](#) [ECON](#) [ETRD](#) [TINT](#)

SUBJECT: METI VOICES CONCERN OVER CHINA,S PROPOSED IT
SECURITY CERTIFICATION SCHEME

Classified By: Ambassador J. Thomas Schieffer, for reasons 1.4(B) and (D).

1. (C) Summary: Recently announced Chinese plans to implement a new IT security certification regime have set off alarms with Japanese government and industry, according to Ministry of Economy, Trade, and Industry (METI) officials. METI has both trade and national security concerns with the proposed regulations and plans to engage with the Chinese at a working level. End Summary.

2. (C) Deputy Assistant U.S. Trade Representative for China Tim Wineland and embosffs met May 16 with METI IT Security Policy Division Director Ikuo Misumi to share information and concerns with China,s intention to introduce new IT security standards. Multilateral Trade System Department Deputy Director, Kenichi Kobayashi, Technical Regulations and Standards Policy Unit Deputy Director Masa Sugano, and Americas Division Deputy Director Shinichi Kihara also attended. The meeting, requested by METI, was the first U.S.-Japan consultation on the topic since a March WTO Technical Barriers to Trade Committee session, where the issue was discussed.

3. (C) Misumi elaborated on Japan's anticipated trade-related concerns even though detailed information on the scheme is not available. These included the costs of translation and of acquiring certifications and using marks, as well as likely enforcement or compliance costs. Disclosure requirements may also cause conflicts when covering licensed technologies or information on third-party components widely used in IT systems. Industry is also concerned about delays in the deployment of products with a fairly short market life, Mismui stated.

4. (C) Observing that many cyber attacks originate in China, METI officials then cited national security concerns surrounding the Chinese proposal. Misumi pointed to concerns about the certification process and the confidentiality of submitted information along with the lack of information and transparency about the labs involved, their affiliations and their personnel. The technical documentation involved in obtaining certification could be useful for identifying and exploiting security vulnerabilities in private or government systems as well as for anyone trying to reverse engineer affected products. Sugino added related to these concerns is the fact, while Western labs are typically independent, private firms, labs in China blur the lines between government and industry. He stressed the list of laboratories that would perform the proposed certification were "not the usual suspects," which exacerbated Japanese

concerns. Finally, the METI officials emphasized the unfortunate precedent China sets if it implements a unique national scheme, and the importance of encouraging use of international standards, whether Common Criteria standards or FIPS.

15. (C) Wineland reported the USG view, as expressed to the Chinese government during meetings in Beijing May 6 to May 14, is while China's regulations remain in draft form, working level consultations and dialogue are the preferred means of engaging China on the issue and ensuring regulations in this area achieve China's legitimate objectives in a manner consistent with international norms and practices. However, should China publish the final regulations with a date-certain implementation deadline, this will necessarily elevate the issue in the United States to a political level, given serious substantive concerns about the regulations as well as past precedent in the area of Chinese encryption and information security rules. Misumi indicated he hoped to travel to China in the near future to discuss this issue with the relevant authorities and indicated agreement with the USG stance to keep discussions at the working level at present.

16. (U) DAUSTR Wineland has cleared this message.
SCHIEFFER